SUCCESSFUL COMPLETION OF INITIAL DRILLING AT NATIVE COMPANION, MT ISA

3 December 2014

- **CYU has completed the first six hole exploration drilling program at its Native Companion prospect near Mt Isa in northwest Queensland, with impressive results.**
- **A mineralised zone, at least 5km in strike length, has been identified at Native Companion highlighted by the following assay results:**
  - **A large (61m) anomalous zinc zone to the north of Native Companion (drill hole Q-032)**
  - **Strong copper mineralisation at drill hole Q-034 including 26m @ 0.68% Cu and 0.25 g/t Au from 63m (including 15m @ 1.15% Cu and 0.41 g/t Au)**
  - **Strong copper mineralisation (from surface) totalling 53m across three separate zones at drill hole Q-035**
  - **Anomalous shallow copper zones across the other drill holes.**
- **This initial drilling program at Native Companion has validated the results of CYU's earlier soil geochemical program and has potentially identified a similar geological environment to the Dugald River and Roseby deposits.**
- **As a consequence of these results, more extensive drilling and further exploration activities will be undertaken at Native Companion in 2015.**

The Board of Chinalco Yunnan Copper Resources Ltd (ASX:CYU) continues to make progress in a number of areas as it moves to transform the Company into a mid-tier mining group.

CYU remains focussed on a primary exploration focus on its extensive tenement portfolio in the Mt Isa region and the ongoing pursuit of project acquisition opportunities currently under review and negotiation.

ABN 27 099 098 192

CYU is a resource exploration and development company with a primary focus on project interests in the Mt Isa region of north Queensland.

Issued Capital:

473,027,475
Ordinary shares

4,000,000
Performance shares

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Native Companion

On 17 September 2013, CYU entered into a joint venture with Altona Mining Limited (ASX: AOH) to explore for copper and gold and ultimately earn a majority interest in the Roseby South Project, in the Mt Isa region of north-western Queensland. Roseby South comprises a package of eight Exploration Permits covering over 700km^2, within which the Native Companion project is situated.

The Native Companion/Brolga trend is characterised by numerous historic workings over a 5km strike parallel to the Rosebee Fault. The zone was previously RAB (rotary air blast drilled) by Altona Mining Ltd on nominal 500m line spacing to identify discrete copper geochemical anomalies in excess of 1000m of strike length and 100m width. CYU has completed infill sampling on100m line spacing using mobile metal ion (MMI) technology that successfully reproduced and delineated these geochemical anomalies.

The diagram in Annexure A identifies the location of the initial 6 RC drill holes that have been drilled at Native Companion in November 2014. Each hole was drilled to a depth of about 100m as an initial test of the Native Companion/Brolga geochemical trends. The holes were designed to test the source of the geochemistry at the 50m level.

This initial drilling program at Native Companion has now been completed and all assay results from the six holes have been received from the laboratory. The results of this program have identified a mineralised zone over the full 5km length of strike at Native Companion with the following features:

- The presence of a large anomalous zinc zone to the north
- Shallow (close to surface) copper mineralisation in all other five holes
- Strong copper mineralisation in some of those holes.

The highlight results of the Native Companion program are summarised as follows:

Q-032	**61m @ 0.18% Zn from 12m including**
	6m @ 0.37% Zn from 24m and
	5m @ 0.33% Zn from 56m
Q-033	**4m @ 0.19% Cu from 20m and**
	4m @ 0.30% Cu from 27m
Q-034	**26m @ 0.68% Cu from 63m including**
	15m @ 1.15% Cu from 64m
Q-035	**18m @ 0.35% Cu from surface including**
	4m @ 0.84% Cu and 0.41g/t Au from 11m
	21m @ 0.31% Cu from 35m and
	14m @ 0.31% Cu from 63m

Q-036 **6m @ 0.29% Cu from 33m and**

4m @ 0.23% Cu from 49m

Q-037 **2m @ 0.51% Cu from 27m and**

18m @ 0.37% Cu from 33m including

8m @ 0.69% Cu from 33m

The zinc and copper mineralization intersected in these early holes at Native Companion occur in the Roseby Schist along strike and in a similar geological environment to the Dugald River (zinc) and Roseby (copper) deposits. Excellent potential exists down dip of these shallow intersections and along the 5kms of strike identified by CYU's MMI soil geochemistry to make further mineralized intercepts during the follow-up drilling in 2015.

Jubilee

The Phase 3 drilling program is continuing at CYU's Jubilee Prospect after experiencing some delays due to weather and drill rig maintenance. As a result, the assay results from this program may not be available until early in the 2015.

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CYU Managing Director, Paul Williams, said that the results from the initial Native Companion program were beyond CYU management's expectations. "Native Companion is an area that has been calling out for some drilling for a long time and our first program in that area has identified an extensive zone of mineralisation that is anomalous for not only copper and gold, but also zinc (to the north). These results clearly establish a need for a more extensive exploration program in 2015."

On behalf of the Board
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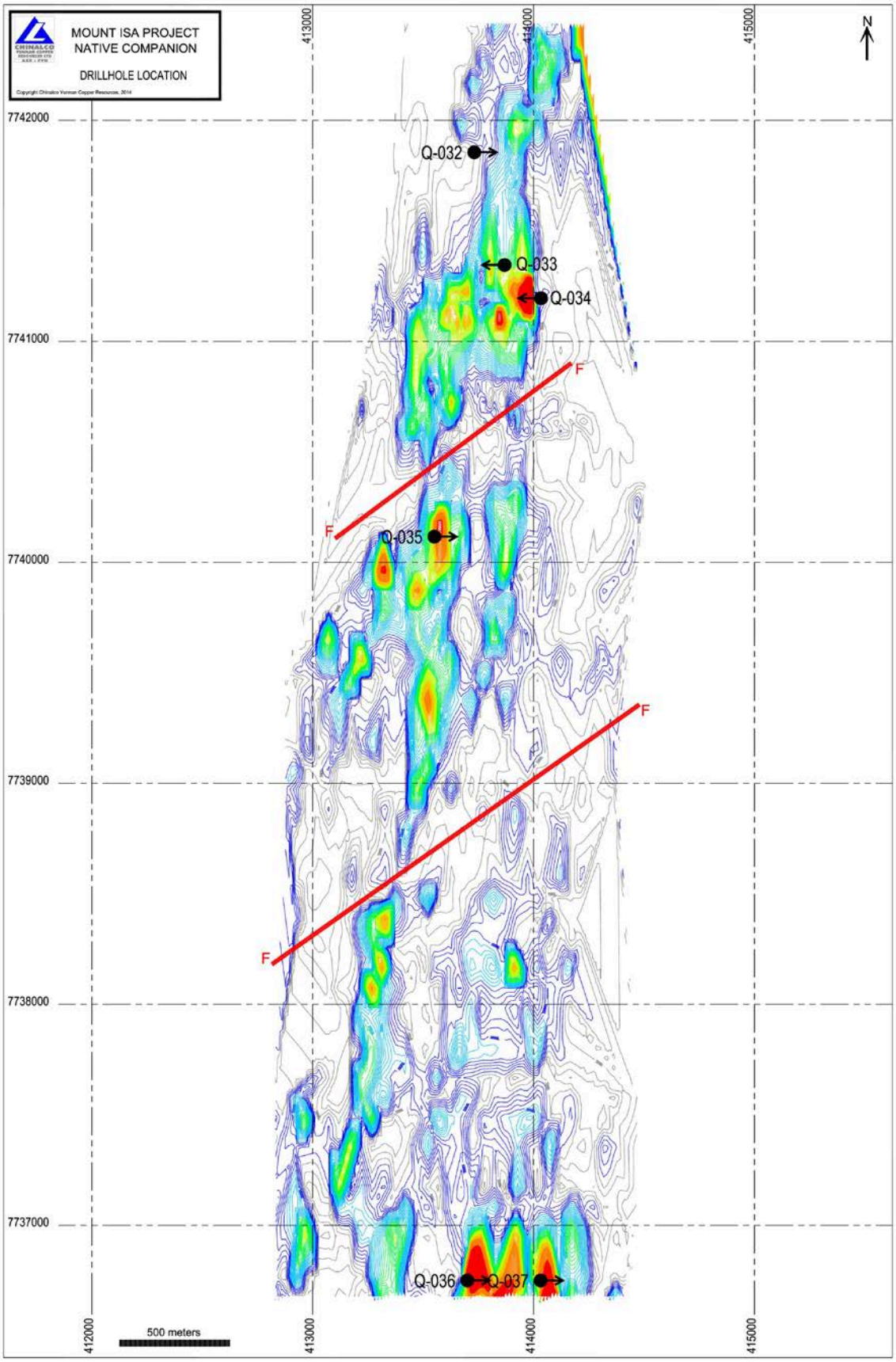
Competent Person's Statement

The information regarding exploration activities and information set out in this ASX Release is based on information compiled by Mr Trevor Leahey, a Competent Person, who is CYU's Exploration Manager and a Member of the Australasian Institute of Mining and Metallurgy. Mr Leahey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Leahey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ANNEXURE A

(Drill hole locations for the initial Native Companion program, with copper/gold anomalous zones highlighted)



JORC Code, 2012 Edition – Table 1 – RC DRILLING – NATIVE COMPANION – NOVEMBER 2014

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• reverse circulation drilling was used to obtain 1 m samples from which 1 kg was pulverised to produce a primary pulp from which ICP (ALS MEICP-41) and fire assay (ALS AA25) analyses were completed
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse Circulation drilling using face sampling bit; Schram 610 with 1100cfm @450psi air.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recoveries noted on Log sheet • Sample collected in cyclone prior to riffle splitting using cone splitter • No obvious relationship between sample recovery and grade
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Washed chip samples logged on site using qualitative and descriptive terminology.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Riffle splitting of dry samples • Sample preparation methods appropriate to exploration drilling

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples are hand delivered to the ALS laboratory in Mt Isa for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% < 75µm. • Pulps are analyzed by using method code ME-ICP41, a 34 element determination using an aqua-regia digestion with ICP-AES determination and by fire assay for gold using a 30g charge (method code AA-25) • GBM® Standards are inserted in the sample sequence at the rate of 1 in 20 samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent verification required at this stage • Laboratory CSV files are merged with drillhole data files using unique sample numbers as the key. • No adjustments made to assay data
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drillholes are located using handheld GPS receivers. • UTM projection GDA94 Zone 54 • Topographic control from handheld GPS survey using local differential control.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Initial drill testing of surface geochemistry. • Too early for resource estimation • No compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill sections are transverse to the strike of the outcrop. • No bias is believed to be introduced by the sampling method.
Sample security	• *The measures taken to ensure sample security.*	• Samples are hand delivered by CYU staff to the ALS laboratory in Mount Isa
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal review of methodology is undertaken regularly by senior company personnel.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Quamby Project consists of +1,000km2 under Earn-In agreements with Altona Mining Ltd, Elementos Ltd and Mount Isa Mines Ltd. • There are no known impediments to exploration in the current area of operations.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The RC drill program tested MMI soil anomalies identified by CYU
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Native Companion is located on the northwestern flanks of of the eastern fold belt of the Proteroic Mount isa Inlier. The regional sedimentary sequence comprise a thick package of carbonaceous, argillaceous and siliciclastic sediments of the Corella Formation and Lady Clayre Dolomite which are interpreted as sag phase sediments deposited within the Cloncurry Basin The entire succession was affected by multiple deformation and upper greenschist facies during the Isan orogeny. Mineralization occurs as metasomatic replacement in structurally controlled zones related to major regional structures.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	see Collar Table below
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Summary intersections are length weighted averages of assay data using nominal 1000ppmCu cutoffs.
Relationship between mineralisation widths and intercept	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Drillholes are believed to be transverse to mineral trends and almost perpendicular to dip

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See report content
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	see report content
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	•
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Follow-up drilling along strike and down-dip is planned for 2015.

Drillhole Collar Data

Name	East	North	RL	Collar Az	Collar Dip	Total Depth
Q-032	413730	7741854	202	90	-60	106
Q-033	413833	7741344	201	280	-60	90
Q-034	414003	7741204	210	275	-60	102
Q-035	413615	7740188	211	90	-60	138
Q-036	413700	7736748	227	90	-60	102
Q-037	414034	7736754	233	90	-60	96